

SYSTEM AND METHOD FOR TRACKING, MONITORING, AND SUPPORTING  
SELF-PROCURING PRINCIPALS IN REAL ESTATE TRANSACTIONS

CROSS-REFERENCE TO RELATED APPLICATIONS

This application is a continuation-in-part of U.S. Application Ser. No. 09/296,709, filed on April 20, 1999, the content of which is incorporated herein by reference.

FIELD OF THE INVENTION

The present invention relates generally to computer implemented systems for facilitating real estate activities, and more particularly, to a system and method for tracking, monitoring, and supporting individuals to represent themselves towards the purchase of a real estate property.

BACKGROUND OF THE INVENTION

In 1995 the United States Government adopted a National Homeownership Strategy (the "Strategy") with a primary goal to propel the rate of homeownership to an all-time high by the end of the year 2000. The Strategy is described as "a call to action, not an academic exercise." In the following quotation, the Strategy cited a major barrier that would have to be overcome to realize this goal: "For many potential homebuyers the lack of cash available to accumulate the required down payment and closing costs is the major impediment to purchasing a home." The Strategy further suggested that the real estate and lending industries needed to focus on three issues to overcome this barrier: 1) cut transaction costs; 2) reduce down payment and mortgage costs; and 3) increase availability of financing. In addition, a key element of the financing strategy was to pass on savings to

1 consumers created through reengineering both the mortgage and  
real estate sales process.

5 The traditional path to homeownership requires the buyer  
to provide a down payment of approximately four to five times  
their normal monthly housing cost as a test of their  
homeownership commitment. This requirement can be difficult  
10 to meet for many homebuyers. Saving five or six thousand  
dollars often requires people to take on a part time job for  
as long as a year or more, especially when taxes, child care  
and transportation costs are considered. This means a  
potential homebuyer may need to spend an additional 400 to 700  
15 hours away from their families while working to accumulate the  
necessary funds for a downpayment. This time commitment can  
be very disruptive to normal family life. Testing the buyer's  
resolve to achieve homeownership in a manner that alienates  
them from their families is not in the interests of government  
20 or the consumer. Also, this process can be especially  
burdensome for single parent households.

The government has responded to this need with limited  
down payment assistance programs for first-time and low-income  
25 homebuyers. These programs have allowed many to attain  
homeownership, but it has brought frustration to even more  
people due to the limited funding availability. Stringent  
qualifications restrict disbursing funds to only the most  
needy of applicants. As budget cutbacks are threatened, the  
30 prospect of government subsidized programs as a consistent  
source of down payment assistance looks bleak. While the  
simplest solution may be to remove the down payment  
requirement altogether, this would require an act of Congress.  
35 The National Housing Act mandates a three percent cash

1 investment from homebuyers using the FHA loan program offered  
through HUD, the Department of Housing and Urban Development.

5 Currently, other methods of measuring the buyer's cash  
contribution into the transaction have been allowed by HUD.  
One well-known program, Habitat for Humanity, promoted by  
former President Jimmy Carter, allows lower-income homebuyers  
to contribute construction labor in what can be described as  
10 an old style "barn-raising" cooperative. This type of cash  
investment, known as "sweat equity", entered the FHA loan  
underwriting handbook in December of 1988.

15 While the Habitat for Humanity program has literally put  
thousands of people in their own homes across the country, it  
falls short of being considered a major solution. Because  
buyers are required to perform labor on the basic structural  
components of the home, such as framing, roofing, electrical,  
plumbing, etc., the program requires professional construction  
20 supervision to ensure that the participant's efforts meet  
industry standards. In addition, in the resale market where  
over 80 percent of the transactions take place, the  
opportunity for the buyer to provide construction labor as the  
cash investment does not exist. Also, a physically impaired  
25 homebuyer would have difficulty participating. This  
encourages regulators to seek out a program design that  
reflects better compliance with the Americans with  
Disabilities Act, as well as one that is available on more  
30 homes to provide better selection.

Chapter 7 of The National Homeownership Strategy  
introduced homebuyer counseling as a new concept into the  
discussion of mortgage default prevention. Homebuyer  
35 counseling was cited as a practice that effectively reduces  
the risk of mortgage default. In order to promote its use,

1 the Strategy recommended that pre-purchase counseling become  
an integral part of the homebuying process, that a predictable  
stream of funding sources be created for counseling, and that  
5 brokers, lenders and counseling providers pool their resources  
to expand homebuyer education.

Thus, HUD announced an initiative offering to reduce the  
charge it makes for FHA mortgage insurance by a quarter  
10 percent for buyers who participate in a HUD sponsored housing  
counseling program. The incentive was doubled one year later  
through Mortgagee Letter 97-37. HUD stated that it believed  
education made first-time homebuyers better homeowners and  
borrowers, and that such homebuyers represented a lower risk  
15 to the insurance fund. Therefore, the reduction in the amount  
of the up-front premium collected from these homebuyers was  
justifiable.

HUD also called upon the real estate and lending  
20 industries to market the initiative and even developed a  
special homebuyer training course called the Homebuyer  
Education and Learning Program (HELP). In order to promote  
its use, HUD allows homebuyers to obtain training even after  
25 they have become committed to a purchase contract. While it  
may seem that placing someone through homebuyer training after  
they contract to buy a home is putting the cart before the  
horse, HUD has little choice in the matter. HUD cannot force  
their training into the marketplace, but must work in  
30 cooperation with the real estate industry. Since the industry  
is dominated by a sales force that derives its income from  
commissions, it may be unrealistic to expect them to turn over  
control of their client to a government sponsored instructor.

35 Thus, use of true pre-purchase counseling is all but non-  
existent in the marketplace. What is actually being performed

1 in order to obtain the FHA mortgage insurance premium  
discounts is pre-closing counseling. The difference is  
simple, yet important. Homebuyers are currently being sent to  
5 an abbreviated class after they have been obligated in a  
purchase contract and rarely before. This is in spite of the  
fact that true pre-purchase counseling was originally declared  
by HUD as being the preferred format. Mortgagee Letter 98-01  
10 released in January of 1998 reprimanded the industry for  
allowing grossly inadequate homebuyer counseling in exchange  
for the mortgage insurance reduction. HUD warned that  
training must be provided in a classroom, face to face or  
electronic media format, and involve 15 to 20 hours of  
15 instruction to claim the premium discount. It is argued that  
the industry does not embrace pre-purchase counseling as it  
tends to undermine their control of the prospective homebuyer.  
By waiting until the client is obligated in an agreement to  
20 purchase a home, real estate agents prevent the possibility of  
losing a client as a result of information provided to them in  
homebuyer counseling sessions. Typically, only after  
purchasing a home is the buyer referred to a counseling  
program to claim the FHA insurance discount. While this  
25 defeats the purpose of educating them, it may well be that  
pre-closing as opposed to actual pre-purchase counseling is  
the best voluntary level of compliance HUD can get from the  
present real estate industry.

30 HUD's difficulty in enforcing greater compliance with  
their pre-purchase educational curriculum stems from their  
policy of financing the mortgage insurance premium. Giving a  
discount on the up-front mortgage insurance premium does not  
35 reduce the buyer's cash investment requirement, it only  
reduces their monthly payment by approximately \$5. The

1 nominal motivation of \$5 is not sufficient to compel  
homebuyers to attend HUD's full 15 hour classroom training.  
In fact, the incentive is so negligible that acquiring the  
5 discount becomes little more than an afterthought. A more  
compelling reward needs to be offered to entice homebuyers to  
attend these classes.

One response that resulted from the National Home  
10 Ownership Strategy's call to action, was from non-profit  
organizations that generate down payment assistance through a  
fee paid by sellers. One such program is known as the  
Nehemiah Program, operated by Nehemiah 2000 Homeownership Inc.  
(Nehemiah). Nehemiah imposes a four percent fee on the seller  
15 if the seller's buyer is to receive a three percent down  
payment gift from the program. The trouble with such a design  
is that transaction costs increase instead of decrease.  
Buyers are told, that due to the large fee being paid by the  
20 seller, it is likely that they will have to pay the seller's  
full asking price or possibly even more. It is apparent that  
the non-profit programs are really just providing 100%  
financing through inflated sales prices, which mitigates the  
value of such home buying designs. In addition, while such  
25 organizations are required to only dispense funds to those  
that have attended homebuyer counseling, the programs still  
accept training that occurs after a contract is entered.

Accordingly, public demand exists for a new format in  
30 real estate brokerage. Examining the results of the Gallup  
Poll's annual Honesty and Ethics survey can best prove this.  
Since entering the poll in 1977, real estate agents have not  
been able to attain greater than a 17% public confidence  
rating for possessing high or very high ethics. This compares  
35 to the 50%+ ratings received by doctors, dentists, engineers

1 and the clergy. By re-engineering the real estate sales  
process, sufficient funds can be generated to fuel downpayment  
assistance programs that can entice homebuyers to attend HUD  
5 training courses prior to purchasing a home.

SUMMARY OF THE INVENTION

One solution to the problems of inconsistent down payment  
assistance funding and under-utilized pre-purchase homebuyer  
10 counseling is the utilization of a "Self-Representing  
Principal" (SRP) format. This solution was invented by the  
Applicant herein, and approved by the U.S. Department of  
Housing and Urban Development for use with its FHA loan  
15 programs on May 13, 1998. The SRP format is rooted in HUD  
underwriting regulations that came into effect in Revision 4  
of the 4155.1 HUD Credit Underwriting Handbook in June of 1992  
as Section 2-10(P). This regulation reads as follows:

20 Commission from Sale. If the borrower is entitled  
to a real estate commission from the sale of the  
property being purchased, that amount may be used for  
the cash investment with no adjustment to the maximum  
mortgage required. A family member entitled to the  
25 commission may also gift those funds to the homebuyer.

Many, including HUD, have assumed over the years that  
this regulation was provided for licensed real estate agents  
purchasing their own homes. This assumption was not true.  
30 The federal government defers to the state with regard to  
licensing requirements for real estate activities. The  
applicant herein has been unable to identify any state that  
prohibits unlicensed principal self-representation in real  
estate transactions. In fact, the California Department of  
35 Real Estate issued a letter indicating that principals do not

1 have to be licensed to earn a commission while purchasing  
their own home. HUD acknowledged this fact when it issued  
approval of the SRP procedure. Multiple Listing Service rules  
5 typically specify that the commission is earned through the  
act of procuring or finding the buyer. In the SRP format, the  
buyers procure themselves, thereby earning the commission. It  
is possible for someone to represent himself or herself in a  
10 home purchase transaction without a license, but he or she  
cannot represent someone else.

A self-representing principal (SRP) is a non-real estate  
licensed individual that seeks to purchase a property for his  
or her own account under buyer-broker agreement through a  
15 Multiple Listing Service member-broker. The SRP obtains  
property availability information through the broker's  
information system and support services. The brokerage  
agreement provides that the SRP will be entitled to a pre-  
20 negotiated share of the commission paid to the brokerage  
office that is earned through the SRP's purchase of a home.  
The SRP may also be referred as a SPP, self-procuring  
principal, or a SDP, a self-directing principal.

25 Section 2-10(p) of HUD's credit underwriting regulations  
allows the SRP format to provide down payment assistance  
through market efficiencies instead of government funding. In  
addition, it maintains compliance with the National Housing  
Act's three percent cash investment requirement. The SRP  
30 format further allows those who are physically impaired and  
unable to take advantage of sweat equity programs, to reap the  
rewards of their homeownership dedication by obtaining  
downpayment assistance on the basis of their educational  
35 efforts.



1 Giving homebuyers the ability to use the commission as  
their downpayment results in a homebuying process that is more  
useful to all Americans. It allows them to access the money  
5 they need to buy their home by becoming educated about the  
homebuying process directly from HUD and before they have  
entered into a purchase agreement. The SRP format contributes  
to achieving HUD's goals by providing a consistent non-  
10 government source of down payment assistance that HUD controls  
through their homebuyer education requirements. Since HUD's  
approval of this program requires the buyer's participation in  
pre-purchase, not pre-closing, counseling, HUD is assured of  
15 their opportunity to present the government's information  
prior to the buyer entering a contract.

The SRP format gives buyers ample reason to attend a  
full-length HELP training course, as they are then capable of  
accessing thousands of dollars in commissions for use toward  
20 their down payment. In most cases, the entire down payment  
requirement can be met through the earned commission. The  
value in this design is its ability to create a homeowner of  
someone who otherwise would not be. Thus, the SRP format  
provides HUD with the carrot it needs to attract homebuyers to  
25 the HELP classes. The mass utilization of homebuyer education  
was a goal embodied in the National Homeownership Strategy and  
one which the SRP format should achieve.

As a bonus for someone using the SRP format, commission  
30 funds acquired in this manner are not considered taxable, but  
rather a reduction to the tax basis of the home. This is  
advantageous to the homebuyer in light of the new capital  
gains exemption of up to \$500,000 on a personal home. The  
35 lack of taxability on the SRP's commission stems from the fact  
that the homebuyer performs representation services for

1 himself and the value of services one performs for oneself is not considered income.

5 The SRP format is therefore an alternative format to traditional brokerage practice. It employs the principles of the National Home Ownership Strategy to achieve the goal of expanding the availability of downpayment assistance. The SRP option puts homebuyers in control of the purchasing process and allows them to reap financial rewards which would be  
10 unavailable otherwise. By making homebuyers an integral part of this process, they are likely to be more deliberate in selecting their homes. This should result in greater homeownership satisfaction and decrease the possibility of  
15 default to the insurance fund.

Accordingly, the present invention comprises a computer system that tracks, monitors, and supports self-representation of a user in a real estate transaction. According to  
20 currently established requirements, the homebuyer using the system will have completed an educational program qualifying him or her for self-representation, and thus, at least a portion of real estate commissions for use towards downpayment of a home.

25 The system has access to a client database and a real estate property listings database. The listings database includes listings of property with property profile data. The tracking, monitoring, and supporting of the user comprises  
30 entering user profile data into the client database, the data including real estate property search parameters. The listings database is searched for a property profile matching the user profile. The matched property profile is retrieved from the listings database, and the user notified of the  
35 matched property. The property profile data might be

1 transmitted in conjunction with the notification. Otherwise,  
the profile information is transmitted after the notification  
has been sent.

5 In one aspect of the invention, the system also tracks  
user self-representation activities relating to a matched  
property.

10 In another aspect of the invention, the system provides  
school district reports, or environmental hazard reports of a  
district where the matched property is located. The system  
further provides comparable sales reports or offer assistance  
reports of the matched property.

15 In yet another aspect of the invention, the system also  
coordinates the viewings of the matched property.

20 In still another aspect of the invention, the system  
creates a demand feature profile having property features from  
a plurality of user search parameters in the client database,  
and searches on assessor's property database for a property  
matching the demand feature profile. The assessor's property  
database includes profiles of properties that have not been  
placed for sale. The system further informs an owner of the  
matched property of market demand for the property.

#### 25 BRIEF DESCRIPTION OF THE DRAWINGS

30 These and other features, aspects and advantages of the  
present invention will be more fully understood when  
considered with respect to the following detailed description,  
appended claims and accompanying drawings wherein:

35 FIG. 1 is an exemplary semi-schematic block diagram of a  
system for tracking, monitoring, and supporting a self-  
representing principal in accordance with the present  
invention;

1           FIGS. 2A-2B are illustrations of an exemplary activity tracking report generated by the system of FIG 1;

5           FIG. 3 is an exemplary semi-schematic block diagram of system modules and database structures of the system of FIG. 1;

          FIG. 4 is an exemplary process flow diagram of a client/SRP maintenance module of FIG. 3;

10          FIG. 5 is an exemplary process flow diagram of a property listing maintenance module of FIG. 3;

          FIG. 6 is an exemplary process flow diagram of a client notification module of FIG. 3;

15          FIG. 7 is an exemplary property availability report generated by the system of FIG. 1;

          FIG. 8 is an exemplary process flow diagram of an Internet support module of FIG. 3;

20          FIG. 9 is an exemplary process flow diagram of a touchtone support module of FIG. 3;

          FIGS. 10A-10B are exemplary process flow diagrams of a Home Viewing Coordination module of FIG. 3;

25          FIG. 11 is an exemplary process flow diagram of a reverse multiple listing service module of FIG. 3;

          FIG. 12 is a more detailed diagram of step 203 of FIG. 8 presenting a main selection menu to a user accessing the system over an Internet connection 32 according to one embodiment of the invention;

30          FIG. 13 is a more detailed flow diagram of module 220 of FIG. 8, detailing how an SRP may interact with a brokerage office and access various support modules to perform the functions of the salesperson in the offer and closing stages of a real estate transaction according to one embodiment of  
35          the invention;

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FIGS. 14A-14B are more detailed flow diagrams of step 108  
of FIG. 4, allowing the editing/adding of profile and tracking  
information for an SRP according to one embodiment of the  
5 invention; and

FIG. 15 is a diagram demonstrating how an SRP format  
differs from traditional brokerage practice.

#### DETAILED DESCRIPTION OF THE INVENTION

10 In general terms, the present invention is directed to a  
particular system and method for tracking, monitoring, and  
supporting self-representation of an individual in real estate  
related activities. Generally, such activities will relate to  
15 endeavors towards the purchase of a home. However, one  
skilled in the art should recognize that the activities might  
also relate to the purchase or leasing of real estate  
properties in general.

20 According to a currently preferred embodiment, an  
individual who becomes qualified for self-representation may  
act as his or her own real estate agent. As a self-  
representing principal (SRP), the individual would be entitled  
to all, or at least a portion, of the commission otherwise  
25 payable to a licensed agent representing the individual. The  
SRP would then use the real estate commission towards the  
downpayment of a property.

30 The current requirements developed by the applicant  
herein which were submitted to and approved by HUD on May 13,  
1998, establish the procedure for an individual to be  
qualified as an SRP are as follows:

35 a) the buyer has a certificate evidencing his or her  
training in a consumer-oriented home purchase educational  
program;

1           b)the purchase agreement is entered into after the  
training certificate is issued, the purchase contract  
reflecting the buyer's entitlement to the commission;

5           c)the buyer has a documented ability to access  
property information systems and obtain broker support  
services in the same manner as a conventional agent;

10           d)the commission payable to the buyer in the purchase  
agreement is identical to that which was offered to the  
brokerage industry, as reflected in a Multiple Listing  
Service, a copy of which should be included in the loan  
file;

15           e)the buyer does not have a contrived arrangement for  
payment of commission, but rather a systematic approach to  
earning a commission through homebuyer education and  
performance of typical representation duties utilizing  
brokerage office support, in the same manner as a licensed  
20           agent; and

25           f)an evaluation is done and a determination made that  
the commission was not a gift from the listing agent as  
described in 4155.1 2-10C, 3rd paragraph of the HUD Credit  
Underwriting Handbook. (This element was added by HUD as  
a requirement for insuring FHA loans. It amounts to a  
restatement of item "e" reflecting the appropriate  
regulatory citation.)

30           According to the above described procedure, an individual  
attends a 15 hour housing counseling course, preferably  
conducted by a HUD-sponsored non-profit organization, before  
he or she becomes qualified as an SRP. It should be noted,  
however, that the number of counseling hours required might  
35           vary depending on whether the buyer has attended the course  
before, or based on modifications to the requirements

1 established by HUD or other government agency or department.  
After counseling is completed, the buyer signs a self-  
representation agreement with a real estate brokerage office  
5 having access to a system for tracking, monitoring, and  
supporting self-representation activities (hereinafter  
referred to as the system), and completes orientation in the  
use of the brokerage office's services.

10 Once the SRP completes his or her orientation and is  
enrolled in the system, the SRP can receive information of  
property listings that match the SRP's search criteria.  
According to a currently preferred embodiment, the system  
downloads property listing information from a Multiple Listing  
15 Service (MLS) operated by a local group of real estate  
professionals. A local MLS provides information to its  
members of properties listed for sale in the local area.  
Because the SRP is a client of a member brokerage office for  
20 the purpose of purchasing a real estate property, such access  
to property listing information does not violate MLS rules  
which currently prohibit access to non-members. Instead, the  
SRP format involves an MLS member-broker re-distributing  
25 compiled and filtered listing information to its contracted  
homebuyer clients for purposes of obtaining a buyer for the  
property. This practice is consistent with the stated purpose  
of a multiple listing service and the techniques employed are  
compliant with the current NAR model rules and regulations.  
30 When a new property listing matching the SRP's profile is  
detected, the system alerts the SRP of such listing, and  
further provides profile information of the matched property.  
Upon receipt of such notice and/or profile information, the  
SRP might request sales information of comparable homes in the  
35 area, school district reports, environmental hazard reports,

1 automated offer drafting assistance, demographic information,  
and other assistance and information for aiding the SRP's  
self-representation activities.

5 The system tracks the SRP's self-representation  
activities and generates an activity tracking report for  
inclusion in the SRP's loan file. The report might then be  
used to certify that the SRP has indeed represented himself,  
10 and thus, is entitled to the real estate commission. The SRP  
can then apply the commission towards the downpayment of a  
home.

15 Considering the foregoing summary of the features of the  
system and method of the present invention, FIG. 1 depicts a  
simplified, semi-schematic block diagram of an exemplary  
tracking, monitoring, and support system in accordance with  
the present invention. The system comprises at least one,  
network server or a platform computer 10 in communication with  
20 an MLS system 12 via a communications link 14. Network  
connection via the communications link 14 may be performed by  
a number of well known methods including LAN connection, WAN  
connection, RS-232 connection, R/F communication, and the  
like.

25 The network server or platform computer 10 periodically  
downloads property listings data from the MLS system 12 into a  
local MLS database. The MLS database resides in a local mass  
storage device 16 taking the form of a hard disk drive or  
30 drive array. The downloaded data includes profile information  
relating to the property's price, location, bedroom and  
bathroom count, square footage, number of stories, and the  
like. Alternatively, instead of downloading property listings  
data from the MLS system, the data is entered directly into  
35 the system by a brokerage employee 20.



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The mass storage device 16 further hosts a client/SRP database and a property listings database. The client/SRP database comprises a series of records of SRPs who have met the necessary requirements for self-representation and are enrolled in the system. An SRP record is headed and identified by a client name or a client ID. Following the client name or ID, the data record includes a client profile entry comprising property profile search fields (search parameters). Exemplary search parameters include price, location, bedroom and bathroom count, square footage, number of stories, and the like. The record also includes the client's physical address, e-mail address, pager number, facsimile number, and/or telephone number, for notifying and providing property profile information and related reports of a property matching the client's search parameters. The record, moreover, includes fields for storing the client's passcodes for Internet and touch tone access.

In addition to the foregoing, each SRP record includes the SRP's financing qualifications such as monthly income, current rent, first-time homebuyer status, number of persons in the household, and the like, for automatically determining whether the SRP is qualified for city, county or other forms of down payment or monthly payment assistance. A system status field indicates the status of each SRP as being active, inactive, in negotiations, having a transaction pending, or having a transaction closed.

The mass storage device 16 also hosts an activity tracking database comprising a tracking record for each SRP enrolled in the system. Each tracking record is headed and identified by a client name or a client ID. Following the client name or ID, the tracking record includes an information

1 area for maintaining a log of the SRP's self representation  
activities. The information area may be arranged in a variety  
of ways, but is most advantageously configured as sequential  
5 entries, with each entry specific to an activity being  
tracked. An activity entry might include the date in which  
the activity took place. An activity entry might further  
include text describing the nature of the activity. In a  
10 preferred embodiment, the activities tracked relate to home  
counseling course attendance, property availability  
notification, interior inspection, offers and counter-offers,  
physical inspection, termite inspection and clearance,  
15 corrective work, interest rate lock, title and escrow company  
and home warranty provider selection, walk-through, comparable  
sales requests, appraisal disclosure, seller's escrow credit,  
title vesting selection, pre-closing statement disclosure and  
acceptance, preliminary title report acceptance, and  
20 homeowner's association documents. It should be apparent to  
those skilled in the art that other activities might also be  
tracked to conform to the rules established by HUD or any  
other governmental agency.

25 After the SRP has taken the steps to formalize the  
purchase of a property, the system retrieves the SRP's  
tracking record from the activity tracking database, and  
generates an activity tracking report. FIGS. 2A-2B are  
illustrations of one such report. The report is included into  
30 the SRP's loan file, and used to evidence that the SRP has  
performed the typical duties of a licensed agent, entitling  
the SRP to a real estate commission pursuant to the commission  
agreement with their MLS member-brokerage office.

35 The property listings database, also hosted by the mass  
storage device 16, comprises a series of records of property

1 listings downloaded from the MLS system 12 as edited by the  
brokerage employee 20. In a currently preferred embodiment,  
property listings from the MLS system are first downloaded to  
5 the local MLS database in the mass storage device 16 on a  
periodic basis (e.g. every 15 minutes). The brokerage  
employee 20 then strips any confidential information from the  
downloaded property listing, and stores it into the property  
10 listing database. Such confidential information might range  
from alarm and lock box codes to comments about a seller's  
health condition. By stripping the confidential information,  
the seller's privacy is protected without compromising the  
SRP's ability to evaluate the property. Thus, only statements  
15 concerning the property's features and relevant terms and  
conditions of sale, are disclosed. Additional remarks  
relating to the property might also be entered by the  
brokerage employee 20 in a comments section of the downloaded  
20 listing. The brokerage employee 20 might further enter  
proprietary listings not originated from the MLS system 12,  
into the listings database.

All edited proprietary property profile information is  
25 stored as a record in the property listings database. Each  
property record is headed and identified by a property ID  
which, in a preferred embodiment, is the ID assigned by the  
MLS system 12. Alternatively, the system might provide its  
own property ID in addition or in lieu of the MLS ID.

30 Furthermore, the system also maintains videographic image  
data of available properties, generally in the form of  
photographs, in a property photo database. The image data  
might be obtained by a field agent visiting a property and  
35 taking a picture of the property with a digital camera or any  
other device capable of outputting a digital image. The

1 videographic image might comprise either gray scale or color  
video data. Preferably, the videographic image data will be  
in color to adequately represent the property's appearance.  
5 This data is associated with its property ID and then stored  
in the property photo database.

In a currently preferred embodiment, the brokerage  
employee 20 also makes a narrative recording of the property's  
10 features and stores the recording as a digital sound file in a  
narration database. As in the property photo database, each  
recording file in the narration database is identified by its  
property ID.

The system notifies the SRP of a property matching the  
15 user's search parameters via one or more communication methods  
elected by the user. In doing so, the system searches the  
SRP's record for a pager number, telephone number, e-mail  
address, facsimile number, or any other type of contact  
20 information. If a pager number exists, the system, either  
automatically or via the brokerage employee 20 making use of a  
telephone 22, issues a page alert to the SRP's pager 24. The  
system also sends notifications to the SRP's cellular phone  
26, telephone 28, fax machine 30, and/or e-mail address if  
25 such methods of notification were elected by the SRP.

The alert might be as simple as a statement that a  
matched property was found, and provide the matched property's  
ID. Alternatively, the alert might actually provide profile  
30 information of the matched property.

In the first instance where the profile information is  
not provided with the alert, the SRP receives such information  
in later communications with the system. For instance, a  
property disclosure form might be faxed, mailed, and/or  
35 delivered by courier to the SRP. Alternatively, the SRP might

1 use the telephone 28 or cellular phone 26 to access the  
system's touch tone service and retrieve a recorded narration  
of the matched property's profile. According to one  
5 embodiment, the recorded information is accessible only upon  
input of a valid password. Alternatively, the recording is  
automatically transmitted to the SRP's telephone 28 or cellular  
phone 26 after the information becomes available.

10 In yet another method of retrieving property information,  
the SRP accesses the system's Web page through an Internet  
connection 32. The Internet connection might comprise ISDN  
lines, ADS lines, DBL lines, and the like. A personal  
computer 34 equipped with a modem (not shown) might be used to  
15 access the Internet connection 32. Alternatively, a  
television system 36 equipped with a digital or analog set top  
box with Internet capabilities is used to connect to the  
Internet. Once logged onto the system, the SRP enters his or  
20 her client ID and password on the system's Web page. If the  
entries are valid, the system provides access to property  
profile information for display on a display monitor. The  
information might then be stored in the user's PC 34 or  
television system 36, or printed on the user's printer.

25 The SRP reviews profile data of a matched property and  
decides if it suits his or her interests. If so, the SRP  
might perform a drive-by exterior inspection to familiarize  
himself or herself with the neighborhood and the property's  
30 setting. If, after this procedure, the SRP desires to perform  
an inspection of the property itself, the SRP calls the  
viewing desk at the brokerage office to arrange an appointment  
for a viewing of the property.

35 The SRP may designate the viewing as exclusive or open.  
Exclusive viewings are private. Open viewings allow the

1 system to notify other buyers whose search parameters also  
match the property's features, of the date and time of the  
showing. The showing notification is sent out to the other  
5 buyers via the communication methods described above for  
property availability notices. Any subsequent SRPs attempting  
to "piggyback" the showing can register their attendance with  
the system to keep the appointment open in the event the  
10 original SRP cancels. If the original SRP cannot make the  
appointment, and no other SRP's have registered their  
attendance, the system proceeds to cancel the viewing.

After the SRP has inspected the property, he or she can  
request additional information on the property, its  
15 neighborhood and schools. The SRP can also retrieve sales of  
comparable homes to determine the value of the property, and  
hence, the price the SRP might wish to offer. Offer  
composition tools available through the system allow the SRP  
20 to prepare a Request to Draft Offer form for submission to the  
brokerage office. The offer composition tools may be any  
suitable commercial tool or software, such as Altaira™  
available from Geac Computer Corporation, LTD. The tools  
consist of closing cost estimating routines that allow the SRP  
25 to consider the effects of different interest rate and loan  
discount point options. By selecting higher or lower interest  
rates in the software utility, the closing costs may be re-  
calculated to inform the SRP of the accurate amount he or she  
30 may need to request for seller paid costs. Since FHA loans  
specifically allow a seller to pay up to six percent of the  
sales price toward the buyer's closing costs, this feature  
assists buyers in minimizing the amount of cash they will need  
35 to close escrow.

1           Once the SRP completes the Request to Draft Offer form,  
he or she presents it to the brokerage manager at the  
brokerage office. The manager assists the buyer by drafting  
5       the offer in a format acceptable to the marketplace and  
obtains the SRP's signature approving the offer. The  
brokerage office then transmits the offer to the MLS listing  
office.

10          With the aid of commercially available tools such as  
Altaira™, the system is able to track the offer and any  
acceptance or counter-offers, and provide a status report to  
the SRP upon request. The SRP, therefore, can reliably stay  
up-to-date on the progress of the transaction until a closing  
15       stage. FIG. 3 is a block diagram of the modules and databases  
for aiding the SRP in his or her self-representation  
activities. The modules might reside operationally on a  
single network server or platform computer 10. Alternatively,  
20       the modules might reside on a local area network or wide area  
network.

        A Client/SRP Maintenance Module 40 allows the brokerage  
employee 20 (FIG. 1) to make additions and edits to client  
records in a client database 52. FIG. 4 is an exemplary  
25       process flow diagram, described in terms of a computer program  
routine, of the Client/SRP Maintenance Module. The process  
begins by displaying a selection screen in step 101. The  
selection screen comprises a listing of client records in the  
30       client database 52, along with menu choices allowing addition  
and edits of a client record and the SRP's tracking record.  
As a menu choice is detected in step 102, the process inquires  
in step 103 whether the selection is valid. If the selection  
35       is invalid, the process reverts to step 102 for another menu  
selection.

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If the selection is valid, the process continues to inquire in step 104 whether the employee selected an existing client record. An affirmative answer causes the process, in  
5 step 105, to retrieve the corresponding client record from the client database 52, and the SRP's tracking record from an activity tracking database 60. The process displays the retrieved information in step 108. The SRP brokerage employee  
10 20 may then edit the information as desired.

Referring back to block 104, if the existing client data is not to be edited, the process creates a new client record and an SRP tracking record in step 106, and adds appropriate profile and tracking information in the records in step 108.

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In step 109, the process inquires whether the client record is to be saved. If the answer is YES, the process in step 107 stores the edited or new client record in the client database 52. The process also inquires in step 110 whether to  
20 print the client's profile data. If the answer is YES, the process in step 111 prints a client report containing the client's profile information.

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The process also determines in step 112 if an SRP activity history report is to be printed. If this is true,  
25 the process accesses the activity tracking database 60 (FIG. 3) and generates such a report in step 113. In a currently preferred embodiment, the report includes data such as: the dates of enrollment and completion of the home counseling  
30 program; the date the SRP signed the self-representation agreement with a broker; the date the buyer received SRP orientation from their broker; the dates and addresses of the property notifications received by them; the dates and  
35 addresses of homes that were physically viewed; any previous offers that were attempted but failed; the date the successful



1 offer was issued; the date the SRP attended the physical  
inspection; and the date the SRP attended the pre-closing  
walk-through inspection. This report evidences that the SRP  
5 has indeed performed activities of a licensed real estate  
agent, and allows the SRP to use the earned commission towards  
the downpayment of a property.

Referring back to FIG. 3, a Listings Maintenance module  
10 42 allows the editing and storing of property listings  
downloaded from the MLS system 12 (FIG. 1), or input directly  
into a property listings database 54. FIG. 5 is an exemplary  
process flow diagram of the Listings Maintenance module 42.  
The process begins by displaying a selection screen in step  
15 120. The selection screen comprises a listing of property  
records in the property listings database 54, along with menu  
choices allowing addition and edits of a property record. As  
a menu choice is detected in step 122, the process inquires  
20 whether the selection is valid in step 124. If the selection  
is invalid, the process reverts to step 122 for another menu  
selection.

If the selection is valid, the process determines in step  
25 126 whether an existing property record was chosen for  
editing. If so, the process continues to step 128 where the  
listing and corresponding photo is retrieved from the property  
listing database 54 and the property photo database 56,  
respectively. The process, in step 130, enters the new  
30 property data or photo into the system. If the data or photo  
is to be stored, as inquired in step 132, the process, in step  
133, stores the data or photo into the respective databases.

Referring back to step 126, if the brokerage employee did  
35 not select to edit a property listing, the process inquires in  
step 134 if a new property record is to be added. An

1 affirmative answer causes the process to create a new property record and add data or photo of the property as described in step 130.

5 If the brokerage employee selected a print listings option, as depicted by the YES branch to step 136, the process in step 138 prints a property report containing the property's profile information.

10 Referring again to step 136, if the employee did not opt to print a listing, the process determines in step 140 whether the employee selected a remark editing option. If so, the system continues to step 142 where an MLS listing is retrieved from the MLS database and edited in step 144. The  
15 employee might also add additional comments in a comments section of the listing. The process in step 146 stores the new or edited remarks in the property listings database 54 (FIG. 3), if such a selection is detected in step 148.

20 Referring back to step 140, a NO answer to the inquiry as to whether a review agent remarks was made causes the process to continue to step 150 where it inquires whether the employee has opted to create or re-record a listing information narration. If so, the process continues to step 152 where the  
25 process retrieves the corresponding audio file, if it exists, from a narration database 58 (FIG. 3). The employee may then hear, edit, and/or re-record the narration in step 154. In step 156, the process inquires if the narration is to be saved. If it is, the process stores the narration as a  
30 digital audio file in the narration database 58 in step 158.

Referring again to FIG. 3, a Client/SRP Notifications module 44 provides up-to-date information of property listings  
35 matching the SRP's search parameters. In this way, the SRP is not at an information disadvantage to licensed agents

1 practicing in the industry, as it enables the SRP to become  
aware of new listings within a short time of their being  
placed in the MLS system 12. FIG. 6 is an exemplary process  
5 flow diagram of the Client/SRP Notifications module 44.  
According to a currently preferred embodiment, the module  
cycles in a "watchdog" fashion waiting for a new listing from  
the MLS system 12 (FIG. 1). Accordingly, the process inquires  
10 in step 170 whether such a new listing exists. If so, the  
process in step 172 downloads the new listing from the MLS  
system. In step 174, the process compares the new listing  
with client profiles in the client database 52 (FIG. 3). The  
process flags the matched listings in step 176 for sending  
15 notifications to the matched SRPs. The process further  
associates a narrative recording flag, photo flag and agent  
remark editing flag in step 176, for operator intervention.

Referring back to step 170, if the process has downloaded  
20 all the new listings from the MLS system, as reflected by the  
NO branch to step 170, the process determines in step 178 if  
the new listings have been edited. This might be accomplished  
by polling the remark editing flag associated with the  
listing. If the remark editing flag has not been set, edits  
25 are required. In this case, the process transmits in step 180  
a remark editing request to the brokerage employee 20 (FIG.  
1). The request might take the form of telephonic pages  
and/or internal system alerts according to well known  
30 principles. The requests are periodically transmitted until  
the brokerage employee retrieves the listing from the MLS  
database, edits any confidential information, and stores the  
edited property information into the listings database 54. In  
35 a preferred embodiment, alerts are transmitted every fifteen  
minutes. Those skilled in the art would recognize, however,

1 that longer or shorter time intervals may be used for sending  
the alerts. Once a property listing has been edited, the  
process sets the remark editing flag to TRUE.

5 In step 182, the process issues notifications of a  
matched property listing if the confidential information has  
been edited. In doing so, the process retrieves contact  
information (e.g. an e-mail address or a fax number) from the  
10 record of a matched SRP. The process then notifies the SRP of  
the new listing. If the SRP has elected to be notified via e-  
mail or fax, the actual profile information of the matched  
property is also transmitted to such e-mail address or fax  
number.

15 The process also inquires in step 184 whether the new  
listings have corresponding photographs in the property photo  
database 56 (FIG. 3). This might be accomplished by polling  
the photo flag associated with each new listing. If the photo  
20 flag for a listing has not been set, the listing does not have  
a corresponding photograph. In this case, the process  
transmits a request for a photo in step 186. An agent out in  
the field receives the photo request and proceeds to take a  
digital photograph of the property. The agent delivers the  
25 photograph to the brokerage employee 20 for input to the photo  
database 56. The process then sets the photo flag associated  
with the property, to TRUE.

30 If a photograph of the new listing exists in the photo  
database 56, the process arranges the photograph and the  
edited property profile information as a property availability  
report, and transmits the report to matched SRPs in step 188.  
FIG. 7 is an example of one such report.

35 In step 190, the process inquires whether the new  
listings have corresponding audio files in the narration

1 database 58 (FIG. 3). This might be accomplished by polling  
the narrative recording flag associated with each new listing.  
If the narrative recording flag for a new listing has not been  
5 set, the listing does not have a corresponding audio file. In  
this case, the process, in step 192, transmits a request for  
such audio recording to the brokerage employee 20.

Upon receipt of such request, the brokerage employee 20  
10 creates an audio file of the property and stores it into the  
narration database 58. The process then sets the narrative  
recording flag to TRUE.

If an audio file for a new property exists in the  
narration database 58, the process, in step 194, transmits  
15 pager and voice mail notifications containing a narrative of  
the property's profile to the matched SRPs. Alternatively,  
upon receiving notification from the system, an SRP might  
access the system's touch tone service via a telephone to  
20 retrieve the narration. This method of retrieval is discussed  
below in greater detail.

Referring back to FIG. 3, an Internet Support module 46  
provides Internet accessibility to the SRP. Communication  
with the SRP via the Internet is currently preferred due to  
25 its speed and relatively inexpensive operation costs. An SRP  
accesses the system via the Internet connection 32 (FIG. 1)  
through the SRP's PC 34 or television system 36.

FIG. 8 is an exemplary process flow diagram of the  
30 Internet Support module. The process starts and continues to  
step 201 where the client ID and password are requested for  
logging the SRP onto the system. The process authenticates  
the password in step 202. If the ID or password is incorrect,  
35 the process reverts to step 201 for re-entry.

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If the input is validated, the process continues to step 203 where a main selection menu is presented. The process continues to step 204 where a user menu selection is validated. If validation of the selection fails, the process returns to step 203 for re-entry of the selection. If a valid selection was made, the process continues to step 205 where it inquires whether the SRP selected an option to modify his or her property search criteria. If this is the case, the process continues to step 206 where it accesses the client/SRP database 52 (FIG. 3) and retrieves the SRP's search parameters from the SRP's record. The process displays the search parameters for user edits.

Upon completion of viewing or editing of the SRP's his or her search parameters, the process continues to step 207 where the SRP may elect to save the new search profile. If the SRP responds to step 207 by electing to save the new search profile, the process continues to step 208 where the updated SRP record with the new search profile is stored in the client/SRP database 52. In addition, the time and date that the SRP modified the search profile as well as the content of the search parameter modification is written into the SRP's tracking record in the activity tracking database 60. This allows generation of tracking documentation for the SRP's loan file according to the currently established HUD procedures.

Referring back to step 205, if the process determines that the user did not select the option to edit the search profile, the process continues to step 209 where it determines if the user requested a listing of the available homes matching his or her search profile. If the answer is YES, the process continues to step 210 where the process retrieves a listing of the matched properties from the property listings

1 database 54. The process continues to display the listings to  
the SRP along with a sub-menu of options available for the  
displayed listings.

5 The process thus inquires in step 211 if the user  
requested a comprehensive property data display for a  
particular listing. If so, the process continues to step 212  
where it searches the listings database 54 and the photo  
10 database 56 for data corresponding to the selected listing.  
The process retrieves property profile data from the listings  
database 54 and the property's photograph from the photo  
database 56, and bundles the profile data and photo into a  
report format. The process then displays the report to the  
15 SRP.

According to a preferred embodiment, the process further  
displays school district information and environmental hazards  
information retrieved from a school information database 64  
20 and environmental hazards database 66, respectively. The  
school district information might include photos of the  
schools in the area, rankings, student-to-teacher ratios, and  
the like. The environmental hazards information might include  
information as to waste dumps, chemical factories, and the  
25 like, in the area where the property is located. A person  
skilled in the art should recognize, however, that additional  
types of information relating to the property and its district  
can also be displayed to the user. For instance, a link to  
30 the local sex offenders database would allow display of a list  
of any convicted sex offenders in the area. The process also  
records the SRP's selection to view property data in his or  
her tracking record to document that the user reviewed the  
35 subject property.

1 Referring again to step 214, if the user did not select  
to display property data, the process determines in step 214  
if the user chose to review comparable sales information. If  
5 the answer is YES, the process displays comparable sales  
information in step 215 for user consideration. Comparable  
sales information includes photos and data of property  
similar to the matched property in size, location, amenities,  
10 and the like. The SRP might use this information in  
determining the potential market value of the matched  
property. The process records the SRP's selection to view  
comparable sales information in his or her tracking record to  
reflect that the SRP considered the comparable sales  
15 information in evaluating the property.

If the SRP did not select the option to review comparable  
sales information the process inquires in step 217 if a  
viewing appointment option was selected. If this is true, the  
20 process continues to step 219 where the process invokes a  
viewing appointment sub-routine. The sub-routine, discussed  
in further detail below in conjunction with FIGS. 10A-10B,  
presents a calendar to the user to indicate the status of  
viewing opportunities for the matched property. The user may  
25 request a viewing appointment for a certain time and day. The  
process records the SRP's selection to view appointments in  
his or her tracking record.

At step 218, the process determines if the user selected  
30 an offer assistance option at step 210. If this is the case,  
the process continues to step 220 where an offer assistant  
sub-routine is invoked. The sub-routine provides current  
interest rates on the loan for which the SRP has been pre-  
35 approved, and further allows the SRP to create theoretical  
offer scenarios to accurately estimate their monthly payment



1 and cash down payment for the selected property. The sub-  
routine incorporates taxation computations as well as  
miscellaneous dues in estimating the total monthly payment the  
5 SRP would make in the event the theoretical offer was  
accepted. The sub-routine further provides an estimated  
escrow closing date and closing costs. The SRP's actions upon  
invoking the offer assistant sub-routine are also entered into  
10 the SRP's tracking record.

If the process determines in step 221 that the user has  
selected to exit matched property selection list and associate  
sub-menu, the process returns to step 203 where a main menu  
choice is expected.

15 Referring back to step 209, if the user did not select to  
list matching homes, the process inquires whether the user has  
selected to view his or her tracking history. If the answer  
is YES, the SRP's history of HUD class training dates, SRP  
20 orientation, any self-representation activities, and all other  
tracked activities is displayed in step 216. The tracking  
history might thus be used to certify the SRP's execution of  
his or her functional duties, allowing the SRP to claim that  
he or she has earned a real estate commission for use toward  
25 a minimum cash investment requirement for a particular  
property.

Referring back to FIG. 3, a Touchtone Response module 48  
allows the SRP to obtain disclosures of matched properties by  
30 calling the system via his or her telephone or cellular phone,  
and accessing the system's touch tone services. All SRP  
activity while being connected to the system is recorded in  
the SRP's tracking record.

35 FIG. 9 is an exemplary flow diagram of the Touchtone  
Response module 48. The process starts as it detects an

1 incoming telephonic call on the system's phone line. In step  
250, the process requests a client ID and password. The  
process continues to step 252 where the ID and password are  
5 verified. If an incorrect ID or password is provided, the  
process reverts to step 250 for valid input from the user.  
Upon such valid input, the process continues to step 254 where  
it advises the SRP of any new listings matching the SRP's  
10 search parameters. According to one embodiment, the system  
simply plays an audio recording stating the number of such new  
matched listings. The process then continues to step 256  
where an audio recording of a main menu is provided. For  
instance, the audio recording might state: "Please press 1 to  
15 retrieve all new matched listings; press 2 for comparable  
sales report; press 3 for offer assistance report; press 4 for  
changing profile information; or enter the property ID number  
of the property you would like to retrieve"

20 The user selects a menu item or enters a property ID  
number via the keypad on his or her telephone. The process  
then inquires in step 258 if a specific property ID was  
entered. If the answer is YES, the process plays an audio  
recording of the status of the property matching the property  
25 ID number in step 260. The audio recording might advise the  
status of the property as active, expired, sold, or pending,  
and further provide the asking price of the property.

The process next inquires in step 262 if the SRP has  
30 opted to review all the new matching listings. If this is the  
case, the process plays profile information of the new  
listings in step 264, including the current sales prices, from  
newest to the oldest. In doing so, the process searches the  
narration database 58 (FIG. 3) and retrieves audio files of  
35 all the new property listings. An exemplary audio recording

1 might state: "At 7:40 am Thursday the property located at 123  
Elm Street in Any town - map grid no 693 A2, came on the  
market at a price of \$150,000. This property is described by  
5 the listing agent as a 3 bedroom 2 bath single story home  
offering 1,500 square feet of living space and a fireplace in  
the family room. The home was built in 1988 and sits on a  
7,200 foot lot. The listing agent comments that the home is  
10 priced below market and is expected to sell quickly. The  
escrow term indicated is 30 days or less. Please drive by to  
see this home and, if interested, call back to arrange an  
inspection."

15 If the SRP did not opt to review all the new matching  
listings, the process continues to step 266 and determines  
whether the SRP has selected a comparable sales information  
option from the main menu. Upon an affirmative answer, the  
process in step 268 generates industry standard reports of  
20 comparable sales. Such reports comprise photos and data of  
property similar to the matched property. The reports are  
transmitted to the SRP via the Internet, fax, or other known  
communication methods. The SRP might then use this  
25 information in determining the potential market value of the  
matched property.

Referring back to step 266, if the user has not selected  
the comparable sales option, the process determines in step  
270 whether an offer assistance option was selected. If so,  
30 the process continues to step 272 and generates an offer  
assistance report of a specified property. For example, the  
report might contain instructions on how to structure closing  
costs so that the SRP can close escrow with no cash out of  
35 pocket. The report might also advise an SRP of the  
opportunity under a HUD lending guideline allowing the

1 financing of household appliances, such as refrigerators, washers, and driers, into a purchase offer.

5 An SRP utilizing the SRP's touchtone system might also change his profile information by selecting a change user profile option from the main menu. If such a selection is detected in step 274, the process inquires which profile information the user wants to modify. The SRP might, for 10 instance, have a change of address, telephone number, or property search parameters. The process retrieves the SRP's client record from the client/SRP database and proceeds to update the record with the newly provided information. The process ends upon detection of selection of an exit option in 15 step 278. Any property report, comparable sales report, or offer assistance report selected by the user is then transmitted to the user via the Internet, fax, or other selected communication methods.

20 Referring again to FIG. 3, a Home Viewing Coordination module 50 maintains a viewing schedule for the matched properties. FIGS. 10A-10B are exemplary process diagrams of the Home Viewing Coordination module. The process illustrated in FIG. 10A allows a brokerage employee 20 (FIG. 1) to 25 maintain home viewing schedules through the system. The process begins and continues to step 400 where the process waits for a user menu selection. Once a selection is entered, the process continues to step 402 where the selection is 30 validated. If the selection is invalid, the process reverts to step 400 where another selection is expected.

35 When an SRP makes an appointment to view a home by contacting the brokerage employee 20, the employee selects an add/modify option from the menu provided to enter the SRP's appointment. Thus, the process inquires in step 403 whether

1 such a menu option was chosen. If the answer is YES, the  
process continues to step 404 where an electronic calendar is  
displayed with a list of all appointment schedules. The user  
5 may filter the displayed appointment schedules by client ID,  
chaperone name, or property ID. A chaperone is an employee of  
the brokerage firm that facilitates the showing of the  
property the SRP desires to view.

10 The employee enters the appointment time and date  
indicated by the SRP through the electronic calendar. When  
the employee has completed entering or editing an appointment,  
the data is saved into a home viewing coordination database 68  
(FIG. 3). Alternatively, if the SRP is connected to the  
15 system via the Internet, the SRP may access the add/modify  
option of the Home Viewing Coordination module and enter the  
viewing appointment directly, without aid of the brokerage  
employee.

20 Upon saving of a new appointment, the system sends an  
alert to all chaperones available in the area, preferably via  
pager, to obtain a commitment from one chaperone of his or her  
availability to do a showing. The first chaperone to call the  
system and "lock down" (i.e. reserve) the viewing will provide  
25 the showing services. The chaperone must then confirm to the  
system that he or she will be keeping the viewing appointment.  
Preferably, a chaperone confirms a viewing between 30-45  
minutes prior to the viewing appointment time. If the viewing  
30 chaperone fails to confirm the appointment prior to 30 minutes  
before the showing time, the system will issue a page for them  
to respond. If the response is not forthcoming, the system  
will alert office personnel so that the showing will not be  
35 missed.

1 A chaperone might make reservations or confirmations of a  
viewing appointment by accessing the Home Viewing Coordination  
Module via the Internet. Thus, the process in step 405  
5 inquires whether the user has selected to reserve/confirm a  
viewing appointment. If the answer is YES, the process marks  
the appointment as reserved/confirmed.

10 After a viewing, a chaperone and/or SRP reports back the  
results of the viewing. If the chaperone has direct access to  
the system, the results might be entered by the chaperon  
himself or herself. Otherwise, the results are communicated  
to the brokerage employee who then enters them into the  
15 system. The process thus inquires in step 407 whether the  
user has selected an SRP viewing maintenance option. If this  
is so, the process continues to step 408 where the user inputs  
the results of the viewing of the property. For instance, the  
user could describe the viewing as resulting in the following:  
20 1) no-show by the chaperone; 2) no-show by the SRP; 3)  
property unavailable (occupant refusal or other); 4) lock  
box problems; or 5) successful. The user might also enter a  
more detailed description, such as a comment that the SRP was  
not satisfied with the floor plan of the property he or she  
25 was viewing. The results are then recorded in the SRP's  
tracking record.

30 The Home Viewing Coordination module further allows the  
brokerage employee to maintain chaperone management  
information via selection of a chaperone maintenance option.  
Thus, the process in step 409 inquires if such a selection was  
made. If the answer is YES, the process continues to step 410  
where information about the chaperones is displayed. Such  
35 information might indicate which chaperones are active, and  
also state the preference of each chaperone for location of

1 the showing appointments. The employee might search for a  
chaperone, based on the location of a property he or she  
wishes to view, and edit information concerning the chaperone  
5 (e.g. chaperone's contact number). The process then ends if  
the user then wishes to exit the module in step 411.

FIG. 10B is a process diagram of an alternative method of  
making reservations/confirmations of appointments by  
chaperones. According to this embodiment, a chaperone might  
10 access the system's touch tone service for reserving or  
confirming appointments.

The process starts upon detection and answer of a  
telephone call to the system. In step 421, the process  
15 requests a chaperone I.D. and password. The password is  
confirmed in step 422. If the password or I.D. is incorrect,  
the process reverts to step 421 where the data is re-entered.  
Otherwise, the input is confirmed and the process continues to  
20 step 423 where the process plays an audio recording of  
available appointments and outstanding confirmations. The  
process also plays a recording of a main menu of options in  
step 424, and awaits user selection of a menu option.

25 In step 425, the process validates a menu selection. If  
the selection was incorrect, the process reverts back to step  
424 where a new selection is entered. If the chaperone  
entered a valid selection, the process continues to step 426  
where the process determines if the chaperone requested the  
30 option to reserve a viewing appointment. If this is true, the  
process, in step 427, provides an audio recording of a series  
of appointment opportunities entered by the SRPs, and requests  
that the chaperone select an appointment he or she wants to  
35 secure. The appointment secured by the chaperone will then be  
unavailable to other chaperones.

1           If the chaperone did not select to reserve an  
appointment, the process inquires in step 428 whether the  
chaperone selected to confirm an appointment. If the answer  
5       is YES, the process continues to step 429 where appointments  
that have been reserved by the chaperone are presented via an  
audio recording. The chaperone may then confirm that he or  
she will indeed keep the viewing appointment, or may cancel  
10       the appointment, allowing notifications to be sent to other  
chaperones.

          After the chaperone has completed securing or confirming  
a viewing, he or she exits the system as depicted by the YES  
branch to step 430.

15           Referring back to FIG. 3, a Reverse MLS Matching module  
52 notifies owners of unlisted homes that their property  
matches a certain number of SRP profiles, and solicits them to  
bring their home to market if they are interested in selling.  
20       Preferably, only owners of real estate properties who have  
actively enrolled in the system are selected for notification.  
The property profiles of such potential sellers are stored in  
an assessor's property database 62. In an alternative  
embodiment, notifications are sent to property owners even if  
25       they are not enrolled in the system. This type of  
solicitation is nonetheless passive from the owners'  
viewpoints as the system notifies the property owners only in  
the presence of a high demand.

30           FIG. 11 is an exemplary process flow diagram of the  
Reverse MLS Matching module 52. The process begins and, in  
step 301, a scoring method is utilized to rate the level of  
demand of particular property profiles by the SRPs enrolled in  
the system. For instance, if 90 out of 100 SRPs desire a  
35       property with a particular number of bedroom and bath counts,



1 square footage, and lot size, a market demand rate of 90  
points is given to this particular combination. In one  
embodiment of the invention, a combination with a market rate  
5 of 50 points or above is considered to be in high demand. It  
should be noted, however, that other values might be utilized  
to determine what rating constitutes a high demand rating.

10 In the above example, if most buyers' profiles, however,  
restrict their search to one story homes and very few buyers  
monitoring this area are willing to accept a two story home, a  
combination that would otherwise be considered to be in high  
demand, when adding a two story feature, would cause the  
15 market demand score for the overall combination to  
significantly decrease. Thus, the higher the score of a  
particular combination of features, the more readily the  
market will absorb a property containing those features. On  
the other hand, the lower the score, the more difficulty there  
20 will be in finding an interested buyer for a property  
containing those features.

Each combination of features with a high market demand  
rate is designated as a demand feature profile. The process  
then continues to step 302 where it searches the assessor's  
25 property database 62 (FIG. 2) for a property profile matching  
one of the demand feature profiles. The matched property  
profile is then tagged for informing the owner of the high  
demand, and for soliciting the owner to bring the matched  
30 property to the market. In step 304, the process also  
searches the matched property profile for an e-mail or fax  
number of the owner who desires to receive notification via e-  
mail or fax. The matched owners are thus contacted via such  
35 means.

1           The described process of bringing unlisted properties to  
the market that match the SRP's search parameters, allows the  
SRP's selection opportunities to be expanded. In addition,  
5       the sellers can test the waters to see how many buyers are  
looking for a property similar to what the seller has, without  
the dread of a long listing, a lock box on the front door, a  
for sale sign in the yard, or intrusive phone calls from  
10       agents.

#### **ADDITIONAL EMBODIMENT**

          According to one embodiment of the invention, the  
Internet support module 46 (FIG. 3) further includes an  
15       orientation and training sub-module (not shown) for allowing a  
user to fulfill electronically, any training and/or  
educational requirements or other qualifications that may be  
imposed before his or her status as an SRP becomes enabled.  
20       For example, the orientation and training sub-module may  
provide an on-line housing counseling course and/or  
orientation on the usage of the real-estate brokerage office's  
services, which may include transmitting the user's financial  
25       qualifications to the real estate brokerage office. The  
orientation and training sub-module may further allow for an  
electronic review and acceptance of the self-representation  
agreement with the real-estate office.

          According to one embodiment of the invention, the  
30       orientation and training sub-module is implemented as a  
software module residing in the network server or platform  
computer 10. The orientation and training sub-module may be  
accessed over the Internet connection 32 via the user's  
35       computer 34 or television system 36.

1  
FIG. 12 is a more detailed diagram of step 203 of FIG. 8  
presenting a main selection menu to a user accessing the  
system over the Internet connection 32 according to one  
5 embodiment of the invention. Upon access, the orientation and  
training sub-module is invoked for users whose SRP status has  
not been enabled. In step 530, the orientation and training  
sub-module electronically presents any training materials,  
10 orientation materials, educational materials, and/or financial  
disclosures that the user may have to complete in order to  
have his or her SRP status enabled. The materials may include  
text, graphics, video, and/or any other type of audio-visual  
presentation conventional in the art. According to one  
15 embodiment of the invention, the user's computer 34 or  
television system 36 is equipped with the necessary hardware  
and software to provide the audio-visual presentations to the  
user.

20 In step 532, the orientation and training sub-module  
determines whether the particular user has completed the  
orientation and training. If the answer is YES, the user's  
tracking record is updated in step 534 with details such as,  
for example, the dates in which the user started and finished  
25 the orientation and training. A real estate brokerage office  
may verify that the user has indeed completed the orientation  
and training via step 502 of FIG. 14A.

30 In step 536, a determination is made as to whether the  
user has accepted the SRP agreement with the broker. If the  
answer is YES, the user's tracking record is again updated, in  
step 538, with details, such as, for example, the date in  
which the agreement was accepted.

35 Once the orientation and training sub-module detects that  
the necessary orientation, training, and agreement

1 requirements have been satisfied, the user's SRP status is  
enabled in step 540. In this regard, the orientation and  
training sub-module creates or retrieves the user's SRP  
5 record, and updates the status field as being active.  
Enabling the user's SRP status allows the SRP access to  
various user application modules, also referred to as support  
modules, for aiding the SRP in his or her self-procurement  
10 activities.

FIG. 13 is a more detailed flow diagram of module 220 of  
FIG. 8, detailing how the SRP may interact with the brokerage  
office and access the various support modules to perform the  
functions of the salesperson in the offer and closing stages  
15 of a real estate transaction according to one embodiment of  
the invention. The process starts, and the module presents to  
the SRP a messaging and support display allowing the SRP to  
correspond with their broker via module 548 or access the  
various support modules for engaging in his self-procurement  
20 activities via module 550. The various support modules  
provided by module 220 include, but are not limited to a  
purchase offer/counteroffer module 552 for drafting and  
submitting offers/counteroffers, physical inspection module  
25 554 for scheduling and monitoring physical inspections,  
closing calendar module 556 for managing a closing calendar,  
pre-closing statement module 558 for drafting and submitting  
pre-closing statements, title procedure module 560 for  
30 fulfilling title procedures, HOA document module 562 for  
viewing and accepting/rejecting HOA documents, hazards  
procedures module 564 for fulfilling hazards procedures,  
mortgage locks and terms module 566 for selecting and locking  
mortgage rates and terms, and pre-closing walk through module  
35 568 for scheduling and monitoring a pre-closing walk-through.

1 The SRP may also opt to exit the offer and closing stage  
messaging and support display by selecting an associated  
option in step 570.

5 The various support modules 552-568 allow the SRP to  
electronically engage in activities that would typically have  
been performed by a real estate salesperson. Thus, the  
various modules help eliminate the need for a salesperson to  
10 communicate transaction information and decisions to the  
buyer-brokerage office, thereby allowing the buyer to self-  
procure instead, by communicating directly with the office  
through this electronic self-procurement system.

15 As the user selects a particular support module to engage  
in a self-procurement activity, the activity may be  
automatically tracked and monitored by the module, and all or  
a portion of the tracking information stored in the SRP's  
tracking record in step 571. The user's SRP record may also  
20 be automatically updated to reflect the completion of a  
closing task.

According to one embodiment of the invention, a  
determination may be made in step 572 as to whether the SRP  
has utilized a particular support module to complete a closing  
25 task. If the answer is YES, the buyer-brokerage office may be  
notified of the completion in step 574.

FIGS. 14A-14B are more detailed flow diagrams of step 108  
of FIG. 4, allowing the editing/adding of profile and tracking  
30 information for an SRP according to one embodiment of the  
invention. A brokerage employee retrieving existing client  
data or establishing a new client is provided with an SRP-  
client display in step 500. The SRP-client display may allow  
the brokerage employee to edit/add client profile data and/or  
35 accept a client's completion of SRP orientation and training

1 requirements via module 502, correspond with the client via  
module 504, or track SRP activity and access various support  
modules for the SRP via module 506.

5 Selection of module 506 provides to the brokerage-  
employee a broker's version of an offer/counteroffer module  
510, physical inspection module 512, closing calendar module  
514, pre-closing statement module 516, title procedure module  
10 518, HOA document module 520, hazards procedures module 522,  
mortgage locks and terms module 524, and pre-closing walk  
through module 526. The broker employee may also opt to exit  
the messaging and support display by selecting an associated  
option in step 528.

15 According to one embodiment of the invention, the  
broker's version of the various modules 510-526 are invoked to  
aid the brokerage office in tracking, monitoring, and  
supporting the client's self-procurement activities related to  
20 the specific modules. According to one embodiment of the  
invention, the client's SRP record may include a list of the  
closing tasks that need to be completed, and as actions are  
taken towards their completion, the appropriate modules 510-  
25 526 are invoked to allow the brokerage office to provide self-  
procurement support to the SRP for completion of those closing  
tasks. Upon exiting support modules 510-526, module 529 is  
invoked to automatically update the SRP's record from the  
broker's side to reflect that a closing task has been  
30 completed, and/or to automatically log data resulting from the  
broker's support of the SRP's self-procurement actions for use  
by the system in tracking and monitoring the SRP's activities.

35 In step 580, a determination is made as to whether all  
closing tasks have been completed. This determination may be  
triggered, for example, upon the brokerage employee's

1 transmission of a command to close-out the real-estate  
transaction in which the SRP is currently involved. According  
to one embodiment of the invention, receipt of the close-out  
5 command causes the client/SRP maintenance module 40 to  
retrieve the client's SRP record for automatically determining  
whether the listed closing tasks have been cleared/completed.  
If the answer is YES, the client/SRP maintenance module 40  
calculates, in step 584, the real-estate commission earned by  
10 the SRP based on the purchase price of the property. In step  
586, the client/SRP maintenance module 40 transmits a  
commission authorization notice to the escrow company used for  
the purchase of the property. The notice may be transmitted  
15 electronically or via any other conventional manner known in  
the art.

In step 588, the escrow company applies the commission  
towards the purchase price. The client/SRP maintenance module  
20 40 also applies the commission towards the purchase price, and  
in step 590, displays a balance that is calculated to be owed  
on the property.

Accordingly, there has been brought to the art of  
25 computer systems used in the real estate industry, a system  
and method for tracking, monitoring, and supporting  
individuals to represent themselves during the purchase of a  
real estate property. The described system and method  
connects SRPs to the real estate marketplace. In doing so,  
30 SRPs are informed of matched property listings, and given  
access to property profile information as well as school  
district information, hazardous waste information, and the  
like. SRPs may then conduct a viewing, make offers, and  
35 ultimately conduct a closing of matched properties. All SRP  
action is tracked by the system, and a final report of such

1 actions is provided for evidencing that the SRP has indeed  
represented himself. The present system and method therefore  
empowers homebuyers to take control of their real estate  
5 transactions, and allows them to use earned commissions toward  
a downpayment of a property.

FIG. 15 is a diagram demonstrating how such an SRP format  
may differ from a traditional brokerage practice according to  
10 one embodiment of the invention. According to the National  
Association of Realtors, NAR Magazine, 1999, 85% of home  
resales are transacted in the professional market. 15% of  
home resales are transacted in the non-professional For Sale  
by Owner (FSBO) market. A traditional home purchase using the  
15 profession market illustrated as method A consists of a buyer  
purchasing a home from the professionally listed inventory  
through a broker, with a salesperson acting as an interface  
between the buyer and the broker. The traditional method  
20 provides no mechanism by which a buyer may substitute himself  
for the salesperson and earn the professional commission.  
Instead, the salesperson takes the commission.

An embodiment of a self-procurement system is illustrated  
as method B. The illustrated self-procurement system enables  
25 a buyer to purchase a home listed in a professional real  
estate listings database by substituting his own training and  
activities for the services of a salesperson by interfacing  
directly with the broker. Utilizing this system results in  
30 the buyer earning a professional commission while purchasing  
his or her own home.

Method C illustrates a traditional home purchase using a  
non-professional market. Systems which operate in the non-  
35 professional FSBO market also differ from self-procurement  
systems because they do not connect the homebuyer to the



1 professional market where a bulk of homes are listed for sale,  
and commissions are offered to licensed brokers for procuring  
a buyer for a property. These non-professional systems simply  
5 attempt to bring buyers and sellers together, but do not  
provide an interface for directly connecting a buyer with a  
buyer-brokerage office to eliminate the need for a  
professional salesperson and allow the buyer to earn the  
10 professional commission that would be earned by the  
professional salesperson in the purchase of their property.

Although this invention has been described in certain  
specific embodiments, those skilled in the art will have no  
difficulty devising variations to the described embodiment  
15 which in no way depart from the scope and spirit of the  
present invention. For example, although the various modules  
described herein are described as being software modules  
implemented on one or more processors, a person of skill in  
20 the art should recognize that the modules may be implemented  
in hardware, firmware, or any combination of software,  
hardware or firmware. Furthermore, the steps described in the  
flowcharts may be implemented in the indicated order, or in  
any other order recognized by a person of skill in the art.

25 Moreover, to those skilled in the various arts, the  
invention itself herein will suggest solutions to other tasks  
and adaptations for other applications. It is the applicants  
intention to cover by claims all such uses of the invention  
30 and those changes and modifications which could be made to the  
embodiments of the invention herein chosen for the purpose of  
disclosure without departing from the spirit and scope of the  
invention. Thus, the present embodiments of the invention  
35 should be considered in all respects as illustrative and not  
restrictive, the scope of the invention to be indicated by the

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appended claims and their equivalents rather than the  
foregoing description.

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